WHAT IS CLAIMED IS:

[0113]   1. A method of dynamically determining an optimal price to be charged for a product on an Internet website operated by an Internet merchant, comprising:

        (a) receiving configuration data from the Internet merchant;

        (b) randomly sampling visitors to the Internet website according to the configuration data;

        (c) determining an optimal price using the data acquired in step (b); and

        (d) displaying the optimal price to the Internet merchant.

[0114]   2. The method of claim 1, wherein said configuration data includes sampling parameters.

[0115]   3. The method of claim 1, where said configuration data includes potential prices that are offered to the sampled population in step (b).

[0116]   4. The method of claim 1, wherein said configuration data includes whether the sampling is to be performed continuously or at discrete intervals.

[0117]   5. The method of claim 1, wherein said configuration data includes data for segmenting the population into clusters.

[0118]   6. The method of claim 1, wherein said configuration data includes a minimum threshold for automatically propagating an optimal price.

[0119]   7. The method of claim 1, wherein said random sampling is performed on the entire population of visitors to the website.

[0120]   8. The method of claim 1, wherein visitors to the website are grouped, and each group is sampled separately.

[0121]   9. The method of claim 8, wherein an optimal price is determined for each group.

[0122]   10. The method of claim 9, additionally comprising updating the website such that a visitor is offered the optimal price determined in step (c) according to the visitor's group.

[0123]   11. The method of claim 9, wherein groups are determined based upon prior purchasing behavior.

[0124]   12. The method of claim 9, wherein groups are determined based upon demographic characteristics.

[0125]   13. The method of claim 1, wherein step (c) comprises determining a price that optimizes profit.

[0126]   14. The method of claim 1, additionally comprising:
        (d) automatically updating the website to use the optimal price determined in step (c).

[0127]   15. The method of claim 1, additionally comprising:
        (d) automatically updating the website to use the optimal price determined in step (c) if the optimal price meets a minimum threshold.

[0128]   16. The method of claim 15, wherein the minimum threshold is that the optimal price determined in step (c) is a predetermined percentage better than a currently offered price for the product.